

THE JERUSALEM POST

Threat to
Judges
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Relief at long last from the oppressive heat... These girls are part of an 800-strong group of French-speaking European youths who went to the Western Wall, in Jerusalem yesterday. They are spending the summer in Israel on a "Return to Zion" programme organized by the Jewish Agency's Youth and Hehalutz department. (Samphot)

Even hotter today

Jerusalem Post Staff
BET DAGON. — No relief is expected from the hot air which forced temperatures to unseasonable heights yesterday, according to the weatherman here.
Temperatures of 45 degrees were recorded in Eilat, 38 in Jerusalem, 32 in Tel Aviv and 37 in Safad.
The weatherman explains that a ridge of high pressure over the eastern Mediterranean region is creating a downward current which heats up and dries the air in the hilly regions. This movement is also responsible for the sultry atmosphere over the coastal region. The downward movement of the current, it was explained, prevents the humidity from dissipating.
The unusually hot weather will continue for another two days, the weatherman predicted. But he promised relief was on the way in the form of a cold, low pressure trough moving from Russia.
He said that the weather would be far hotter today, and temperatures will increase further on Thursday.

because the hot air trapped by the ridge of high pressure has an accumulative effect.
In Jerusalem, the local branch of Magen David Adom is engaging twice the usual number of ambulances and doctors for first aid today, as temperatures are expected to soar to 40 degrees.
The Hebrew University announces that, because of the heat, the dedication of the Sigmund Freud Chair of Psychoanalysis will take place at the al-Haram al-Sharif in Haifa at 5 o'clock this afternoon and not at the Mount Scopus open air theatre. All tickets will be honoured.
In the Kinneret area, the boatwave — 42 degrees yesterday — has not impeded the flow of tourists. Hotels are fully booked, and campers abound in open areas.
UPI reports that a savage heatwave from the Saudi desert pushed temperatures in Jordan as high as 50 degrees centigrade yesterday. In the desert, temperatures rose to 45 degrees.

Bonn says: Not to blame for Nazi Kappler's escape

BONN. — The Bonn Government declared yesterday it had nothing to do with the escape last week of Nazi war criminal Herbert Kappler and expressed hope the affair would not sour relations with Italy.
The 70-year-old Kappler, who was serving a life term for the wartime slaughter of over 380 Italian civilians, escaped from a prison hospital in Rome with the help of his wife.
"The friendly relations between the Federal Republic of Germany and Italy are the result of the trustful cooperation of both countries and governments," said government spokesman Arnold Gruenewald.
Gruenewald confirmed that the West German Government had received a formal request from Rome for Kappler's extradition. But he said only that the request "was being examined by the appropriate German legal authorities" and would be answered later.
The West German constitution forbids the extradition of German nationals.
Kappler, terminally ill with cancer, is believed in northern German town of Sothau. His whereabouts are being kept secret by West German authorities for security reasons.
The Kappler affair has led to widespread protests and a wave of anti-German sentiment throughout Italy, which considers Kappler the symbol of Nazi tyranny. The scheduled meeting between Italian Premier Giulio Andreotti and West German Chancellor Helmut Schmidt, which was to have taken place last Sunday in Verona, Italy, was postponed because of the Kappler affair.

In Rome, Defence Minister Vito Lattanzio told the Senate Defence Committee that the guard assigned to Kappler in a Rome military hospital had been reduced "for lack of available manpower" two months before he escaped.
Lattanzio, 60, told committee members in the heavily guarded Senate building that he was not going to resign.
He said that there was a delay of one hour, after religious nursing sister Barbara discovered Kappler missing from his ward, in informing the carabinieri headquarters.

Police sergeants held for alleged thefts on duty

Jerusalem Post Reporter
TEL AVIV. — Three police sergeants were arrested yesterday and dismissed from the force after they were tracked down by a special team on suspicion of stealing various articles while on duty.
The three men, all veteran officers who serve in the Yarkon precinct, will be brought before a magistrate today.
According to police sources the men are suspected of stealing a camera, watches and a medalion from attacks cases they handled in the line of duty.
A special team arrested the sergeants after complaints from citizens and rumours inside the police force. The investigation is still underway and police officials did not exclude the possibility that other officers may have been involved in the thefts. The dismissed officers are reportedly cooperating with the investigating team.

Water to Lebanon

Jerusalem Post Reporter
METULLA. — The military governor responsible for operations at the Good Fence, is planning a pipe line which will link the Israel Water system to that of Southern Lebanon. The project will cost IL4M.

Slant-eyed men dam up the Jordan

By DAVID SLAV
Jerusalem Post Reporter
TIBERIAS. — When the Jordan River's flow, usually thin and sluggish at this time of year, came to a complete halt recently, members of Kibbutz Hamadiya became concerned.
A group walked upstream to investigate. North of the kibbutz they found an earth dam constructed across the riverbed, some tractor-driven equipment, and its operators — men with slanted eyes and an oriental appearance.
Talking to them through an interpreter, the kibbutz discovered that the men were, in fact, Koreans, employees of a contracting company engaged by the Jordanians to construct an irrigation channel east of the Jordan. In search of sand for concrete, they had arrived at the riverbed and — unaware that the Jordan is an "international waterway" — put up a dam across it to wash the sand.
Informed that they were causing an incident, the Koreans, who were very friendly, pulled down their dam and let the river return to its normal course. The Koreans explained that they had mistaken the stream for an internal Jordan water course.
An army officer questioned on the subject yesterday said that as far as he knew there had been no such incident. He claimed that the military had received no report that the Jordan had been tampered with — either from its own sources or settlers in the area.

New commander for Gaza Strip

By HERMAN GOODMAN
Post Military Correspondent
Tat-Aluf David Matmon will complete his tour of duty as commander of the Gaza Strip and Northern Sinai next week. He will be replaced by Aluf-Mishne Yosef Castel who until now has been military attaché in the Argentine. Castel will be promoted to the rank of Tat-Aluf when he assumes his post.
The Post has also learned that some four weeks ago responsibility for the Gaza Strip was referred back to the Southern Command. In 1971 responsibility was transferred to the Central Command when the then GO Southern Command, Aluf-Ariel Sharon (the present Agriculture Minister) was criticised for his harsh treatment of the inhabitants of the area and for his handling of this Pithat Rafiah incident, when a Bedouin area was fenced off.
Tat-Aluf Matmon assumed his position in the Strip in November 1974. Previous to that he had served with Ariel Sharon in stamping out terrorism in the Strip.

Moscow warns against renewal of Libyan-Egyptian fighting

MOSCOW (UPI). — The Soviet Communist Party leadership yesterday warned that tension was building again on the Libyan-Egyptian border and said that a resumption of hostilities would only benefit Israel and "imperialist and other reactionary forces."
The Soviet Communist Party daily "Pravda" made the comments in a lengthy article signed by "Observer," a signature normally reserved for major policy statements of the party leadership.
"The guns are now silent on the Libyan-Egyptian border. It would seem that this has created reasons for further steps in the direction of normalisation of relations between Libya and Egypt."
"However, the tranquillity on the border is far from remaining stable and clearly the danger of its violation is increasing."
"The concentration of armed forces continues near the border and information that military actions may be resumed is appearing," the article said.
"It is evident that a resumption of military actions between Egypt and Libya could bring not only grave losses to these two neighbouring countries but also seriously complicate the situation in the Arab world and the region as a whole."
"To solve the disputes between Arab countries with force — especially in conditions when the Israeli aggressors are continuing their occupation of Arab lands captured in 1967 — is tantamount to undermining the front for just settlement of Arab demands," the

Arafat: Moving towards dialogue with America

Jerusalem Post Staff
and agencies
Yasser Arafat yesterday said in Alexandria that his Palestine Liberation Organization was heading towards a dialogue with the U.S., but indicated that Washington was holding back pending clarification of the PLO's attitude towards UN Security Council Resolution 242, which speaks of peace efforts in the Middle East.
Arafat said that the PLO's attitude to a U.S. call that it accept the resolution depends on "international developments." He did not say what developments he had in mind, but the implication is that he is awaiting the possibility of either 242 being amended to acknowledge the Palestinian problem as a national issue of a people rather than that of refugees, or the UN adopting a new resolution along these lines.
The PLO central council is scheduled to meet in Damascus tomorrow to take a decision on the

American call for the acceptance of 242 "in its entirety."
But Palestinian sources in Cairo expressed doubt that the council, which has some 55 members, will come out with an outright acceptance.
They said opinion was divided on the issue among members of the smaller PLO Executive when it met in Beirut a few days ago. They classified Arafat among the few members considered sympathetic to the acceptance of 242 "provided the right of the Palestinian people to a homeland" in the West Bank and the Gaza Strip is acknowledged in a separate Security Council resolution.
They said the central council, which is one step higher in the hierarchy, can be expected merely to reiterate past positions taken by the national council (parliament) to the effect that the PLO does not deal on the basis of 242 because this relegates the Palestinians to refugee status.

New anti-PLO group in 'areas' calls off meeting with press

Jerusalem Post Staff
Plans by a West Bank group challenging the claim of the Palestine Liberation Organization to exclusive representation of all Palestinian Arabs, to make its public debut at a press conference in Jerusalem this morning, were cancelled late last night.
The group's leader, Hussein Shoukhi, a Hebron lawyer now resident in Ramallah, said he was unable to meet the press "for personal reasons." Informed sources said Shoukhi was being subjected to pressure from unidentified circles to put off his public defiance of the PLO and its leader, Yasser Arafat.
Shoukhi's faction is not linked to that of prominent Ramallah lawyer

Azis Shihadeh.
Shihadeh, who heads a more sophisticated West Bank faction, recently conferred with Secretary of State Cyrus Vance and presented him with a memorandum envisaging a Palestinian entity "which could eventually federate with Jordan."
In Beirut, the PLO yesterday said a weekend announcement by several West Bankers that they would work to oust PLO chairman Yasser Arafat served "the interests of the Zionist enemy."
In a report carried in most Beirut dailies, the PLO news agency Wafa said that 1976 West Bank mayoral elections had yielded "more than 80 per cent squarely behind the (current leadership of the) PLO."

Treasury heads say 1978 inflation will be 20-23%

Jerusalem Post Reporter
Inflation of from 20 to 23 per cent, 10 or a dozen "cresping" devaluations and a \$300m. improvement in the balance of payments — bringing the trade deficit to \$3,400m. — are a few of the economic forecasts for next year, raised at two days of high level Treasury staff meetings concluded in Tiberias yesterday.
(Economists say inflation this year will end up at approximately 35 per cent above last year's average prices.)
Sources at the Tiberias get-together said Finance Minister Simha Khilish and his aides are determined to make "real" slashes in defence spending and in social services, though the latter would require some "political rather than administrative" decisions.
Other ideas raised at the Galilee meeting included a reduction in government subsidies to the bus companies, and using the money instead to expand and improve the nation's network of streets and highways.
The experts also believe exports will grow by 18 per cent next year. Debt service by the Treasury is ex-

pected to claim about IL25,000m. next year, according to economists, who add that this is the most inflexible item in the forthcoming 1977/78 state budget, expected to hit IL150,000m.

Beirut report: Plan to transfer refugees to Saudia

BEIRUT (UPI). — U.S. and Saudi officials met recently to discuss a plan to transfer a large part of the nearly half-a-million Palestinians living in Lebanon to Saudi Arabia and other Gulf states in return for an American pledge to put an end to Israeli administration of the Arab sector of Jerusalem, the French-language Beirut newspaper "Le Reveil" said yesterday.
The newspaper, citing diplomatic sources in Paris, said the Americans initiated the proposal.
There was no immediate confirmation of the report from U.S. or Saudi diplomatic sources in Beirut.

Maryland Governor Mandel convicted of racketeering

BALTIMORE. — Maryland Governor Marvin Mandel was convicted by a Federal jury yesterday of 17 counts of using the mails for illegal purposes and one of racketeering involving an influence peddling scheme that added a race track owned by friends.
The 57-year-old governor showed no emotion as the verdict that will end his political career was read.
Mandel became the first incumbent governor convicted of a Federal crime since Indiana's Warren McRay was found guilty of mail fraud in 1924.
Each of the mail fraud charges carries a maximum penalty of five years in jail and \$1,000 fines. The governor could receive as much as 30 years in jail and a \$25,000 fine on the racketeering count.
Five co-defendants were found guilty of the same 17 mail fraud charges. Sentencing was set for October 7.
The government charged that Mandel had engaged in a conspiracy with the five in which he received more than \$350,000 in gifts and investments in cash in return for official action enhancing the value of a race track secretly owned by his co-defendants. The governor had pleaded not guilty.
Mandel is a Democrat who



Gov. Mandel
succeeded Spiro Agnew as state governor after Agnew was elected vice-president.
Agnew resigned in 1976 after allegations that he had accepted money in return for favour to Maryland. (AP/Reuter).

Carter won't press Israel on settlements

But insists they're illegal

By WOLF BLITZER
Jerusalem Post Correspondent
WASHINGTON. — President Jimmy Carter yesterday personally admonished Israel for approving three new settlements on the West Bank "when we are trying to put together a Middle East conference leading to a permanent peace."
"I believe that our opinion is shared by the overwhelming number of nations in the world but we don't intend to go further than our caution to Israel..."
Carter's statement noting that the U.S. would not apply other forms of pressure on Israel at this time came in response to a question about possible U.S. alternative actions should Israel continue its settlement policies.
His remarks on this issue were the first public reaction he has personally made on Israel's controversial decision last week approving three new settlements in the West Bank. Earlier, the State Department had rebuked Israel officially and publicly, calling the settlements illegal under international law and obstacles to constructive peace negotiations.
It was clear here yesterday that Carter was upset by Israel's settlement decision. He did not refer to America's long-standing friendship with Israel in response to the question — as his press secretary, Jody Powell, had affirmed last Friday.
While repeating earlier State Department assertions that the settlements were illegal because they were created in "occupied territory," the President apparently sought to ease concerns of pro-Israel supporters here by making the point that he was merely following in the footsteps of earlier American Presidents.
The President and his advisers have been attempting both to make U.S. opposition to the settlements very clear to Israel, without provoking a backlash from U.S. friends of Israel.

was made by Secretary Vance, the State Department, that this kind of action on the part of Israel — when we are trying to put together a Middle East conference leading to a permanent peace — creates an unnecessary obstacle to peace.
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Dayan leaves UK leaders impressed but puzzled

By HYAM CORNEY
Jerusalem Post Correspondent
LONDON. — Jewish leaders who attended Foreign Minister Moshe Dayan's briefing session at the Israel Embassy yesterday morning left impressed by his manner in which he explained government policy on the West Bank and the PLO, but mystified as to why it was found necessary for him to come to London for that sole purpose.
One participant at the meeting, which was barred to the press, told me afterwards that the foreign minister had said "nothing startling" and had prefaced his remarks by saying that he did not want to see them reported in the press the following day.
A suggestion by the Israel Embassy that Day should meet the Israeli and local Jewish press was rejected by him, which seemed strange in view of his declared aim of coming to Britain to explain the policies of Begin's government to the Jews. His only contact with the press, in fact, was in the form of two television interviews, one for BBC and one for ITV, which were screened last night.
When asked in them about rumours of a meeting with King Hussein, who is also in London, Dayan replied that he did not meet him. When pressed about whether he had met him on previous occasions, he replied merely that he had met "prominent leaders" of Arab countries before. But he would not specify.
The feeling in some circles here is that Dayan might well have been planning to meet Hussein here but had to cancel the arrangements once the press got wind of it. Certainly there was nothing in his briefing to warrant such a trip.
The meeting with the 20 Jewish religious and lay leaders, led by Lord Janner, lasted only 90 minutes. Dayan spoke for half an hour and the rest of the time was devoted to questions and answers. He referred to Begin's talks with U.S. Secretary of State Cyrus Vance, the West Bank settlement issue, and Israel's opposition to a Palestine state and PLO recognition. "The core of the conflict is still Arab refusal to recognize Israel's right to exist," he reportedly said at the briefing.

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Carter: New plan for Rhodesia

WASHINGTON (AP). — President Jimmy Carter said yesterday a new British-American initiative to achieve a peaceful transition to majority rule in Rhodesia will be set forth at a high-level meeting this weekend in Zambia.
Carter called the Anglo-American proposal "a possible step" toward a peaceful settlement in Rhodesia.
He told his news conference that British Foreign Secretary David Owen and UN Ambassador Andrew Young will present the plan to leaders of the so-called front line states in black Africa — Zambia, Tanzania, Angola, Botswana and Mozambique.
Carter said the goal is to win acceptance of the plan from the front line leaders as well as Rhodesian black nationalist representatives and the white governments of Rhodesia and South Africa.
Although details of the plan have not been publicly disclosed, it is known to include proposals for the writing of a draft constitution, establishment of a one-man, one-vote regime in Rhodesia and a development fund to ease the transition to black rule. The target date for the power transfer is the end of 1978.
U.S. officials have not been optimistic that the plan will receive the endorsement of all parties to the conflict. Rhodesian Prime Minister Ian Smith already has ruled out the one-man one-vote concept and black nationalist guerrilla leaders contend that any discussion of a constitution should take place after the Smith regime surrenders power.
Carter also said yesterday he has received assurances from South Africa that it does not intend to develop a nuclear device for use either as a weapon or for peaceful purposes. (See story, Page 4)

Fahmy to Washington

CAIRO (UPI). — Foreign Minister Ismail Fahmy is tentatively scheduled to visit Washington on September 17 for consultations on American-led Middle East peace efforts, diplomatic sources said yesterday.

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Officers strike ships 15 hours every day

Jerusalem Post Reporter
HAIFA. — The marine officers union yesterday started a partial strike, effectively paralyzing Israeli freighters in ports all over the world between five in the afternoon and eight next morning every day.

Deputy Minister Yoram Aridor immediately intervened and asked the union leaders to meet him this afternoon, to discuss their partial strike, started just four months after their big strike ended. The union agreed.

The union announced it was taking the action to back the demand that the advance it had agreed on with the shipping companies, on account of the new labour contract, be paid in dollars. The advance was agreed on on Monday after protracted negotiations under a strike threat with Histadrut mediation. The advance amounts to IL12-IL18,000 per officer from July to next January. The shipping companies declined on the grounds that the Treasury had not sanctioned foreign currency payments and they could not break the law. However, with full Histadrut backing, they offered to start paying the advances forthwith, in pounds.

The union ordered its men on all Israeli freighters (with the exception of the four freighters run by two

small companies, Rosenfeld and Aran) to stop working overtime when their ships are in port, and restrict their work to the eight a.m. to five p.m. shift only. After five the ships would be unable to sail, or continue loading and discharging operations, in fact paralyzing the vessels for 15 hours a day.

In addition, the officers will not participate in or supervise any "special job" for which the ratings are paid in foreign currency. This will further hamper shipping operations.

The union announced it had decided to stop cooperating with the "double system of pay for officers and ratings on board the ships, or acquiescence in the salary distortions to the officers' disadvantage" arising from the absence of a new labour contract for 1977/78. It claimed that whereas the ratings were being paid overtime in dollars (under the existing contract) the companies had refused to pay the officers advances in dollars, which also discriminated against the officers.

At this afternoon's meeting with Aridor, the directors-general of the Treasury and the Transport Ministry are also to take part. A quick settlement of the partial strike may be possible, according to shipping sources.

The Pulse of '48' paper marks 30th year of state

By MARSHA POMERANTZ
Jerusalem Post Reporter

There's a new newspaper on the local market, but it seems to pose no competition to the existing journals. Unless history repeats itself entirely, "The Pulse of '48" (Pulse in Hebrew) is the Education Ministry's invention for the thirtieth anniversary of the founding year more vivid to students, the Division for Social Education has started publishing selections from the parallel period thirty years ago, in a weekly "newspaper."

The lead story in the first issue (which covers September 1-9, 1947) is headed "Crisis." Says the Majority in the UN Committee, "i.e. the partition of Palestine into Jewish and Arab sectors, complete with

map. The second lead story is about the dumping of illegal immigrants from the "Ocean Vigor" back in Hamburg.

On the inside pages: an editorial entitled "No Delusions" and "The Seventh Column" by someone signed "Natan A." (the poet Natan Alterman). Rina Gal-Har, editor of the paper, has made the selections from "Ha'aretz," "Davar," "Hama-shikh," and other journals of the times.

The paper, which is distributed free of charge in the intermediate and high school system, is apparently heavily subsidized by the Education Ministry. If it had to subsist on ads sold, it wouldn't last. The first issue contains one advertisement — for the Pelikan fountain pen. Cost: 410 mils.

'Too much publicity' on dropouts

Jerusalem Post Reporter

"Too much publicity is being given to the subject of boys and girls who drop out of school and just hang around and refuse to work," the director-general of the Labour Ministry, Arye Gurel, claimed yesterday.

Nevertheless, Gurel — meeting with the ministry's youth branch — admitted that about five per cent of the nation's young people between 15 and 18, approximately 12,000 boys and girls, roam the streets neither studying nor working.

Many labour and school officials believe the number is considerably higher. Education Minister Zevulun Hammer said last week there were 17,000 unemployed teenagers out of school.

According to Gurel, many of the youths described as idle dropouts are actually students at the one-day-a-week educational scheme of the Labour Ministry's apprenticeship bureau.

"These boys and girls are a special problem group," Gurel said. "After having failed in their studies, the only success they see is in their contact with the apprenticeship bureau, which is part of our vocational training department."

According to Gurel, the apprenticeship bureau, if given a higher budget, could help many more dropouts "and prepare them for joining the civilian labour force as full-fledged wage earners and productive citizens contributing to the development of Israel's economy."

New chief scientist for Industry Ministry

Industry, Commerce and Tourism Minister Yigael Hurvitz has appointed Prof. Arish Lavi to be chief scientist in his ministry, replacing Ya'acov Yizhak.

Lavi, 42, was deputy chief scientist before his appointment to the top post. Before joining the Industry Ministry he worked in several research and development projects for the defence establishment. Born in Bulgaria, Lavi immigrated in 1948, and studied at the Technion, the Cranfield aeronautical institute in England and the Weizmann Institute. He is a guest professor at Tel Aviv University.

Free sugar imports seen in offing

Industry and Commerce Minister Yigael Hurvitz is likely to approve the free importation of sugar into the country, a ministry communiqué said yesterday.

The minister has received a recommendation to remove limitations on sugar imports from his adviser Yisrael Sacharov, who studied the subject.

TEN SENIOR U.S. senatorial aides, among them aides to Senators Church and Humphrey, arrived yesterday from New York for a 12-day seminar on the Middle East at Jerusalem's Van Leer Institute.



A burst of fireworks adds a dash of showmanship to the opening parade of models at the Summer Fashion Week on Monday night. (A.B.G.)

Health chief: Spend money on teeth not open-heart surgery

Jerusalem Post Reporter

As cruel as it sounds, it might have been better for Israel to work at making dental services available to all than to provide open-heart surgery, Health Ministry Director-General Ya'acov Mancel told a press conference in Jerusalem yesterday.

He was using the point to demonstrate the types of problems the Health Ministry is now facing to face. He explained that the ministry is a closed system, with only a limited amount of money at its disposal. To use it well, it must decide upon its priorities and implement them efficiently.

Until now, Mancel admitted, the ministry carried out its double role — running government health facilities and planning the health services for the entire country — on an ad hoc basis. The change in structure, he said, had been in the works for many months and was hardly a politically inspired move following the elections. He noted that the ministry would be split into three divisions, medical, administrative and planning and information.

The medical division, headed by Professor Baruch Modan of Tel Aviv University, will include the departments of public health, hospitalization, mental health, prolonged disease and gerontology and para-medical services.

Mancel noted that the prime problems in this sphere included the shortages of nurses and dentists.

The country had too few dentists, he said, and these tended to cluster in the large cities. A dental school was being opened in Tel Aviv, he said, in addition to the one in Jerusalem, but if these were not enough, more would be established.

As for doctors, he said, the country's medical schools were turning out enough for local needs. The large number of Israelis studying abroad, he said, were symptomatic of the tendency of Jews to study medicine. But he added that at least some of these might be diverted into more sparsely-manned related fields such as medical engineering or medical economics.

The administrative division, headed

by Moshe Hurvitz of the Health Ministry, will include personnel, supplies, budgeting, accounting and training. Among its functions will be coordinating the necessary manpower and equipment to carry out any ministry decision.

The decisions themselves will be a function of the planning and information division. Mancel explained that it is customary in any large organization for the management to be presented with a series of options from which they can come to a decision.

Mancel also expressed the hope that the automation branch, for which this division will also be responsible, will make it possible to convey crucial information about patients from hospital to hospital by computer.

Golda Meir tells Scouts to settle

Jerusalem Post Reporter

ZEMAH. — Former Premier Golda Meir told a Scouts meeting here that the country's borders have always been determined by creating settlements and not by words. She called on the Scouts to set a positive example to the country's youth by settling.

Meir was the guest of honour at an assembly in the local amphitheatre, on the shores of Lake Kinneret, to mark the formation of 13 settlement groups by the Scouts Movement, which is to found eight new settlements during the coming year.

"The borders of this country have always been drawn not by declarations, talk, lofty speeches and rhetoric, but by people willing to settle the land and work," Meir told the youngsters. "Settlements will determine the borders of the Golan Heights, and in my opinion have already determined them, and they will assure that no foreign tank shall again cross the Jordan, because there are settlements there," she said.

Fireworks over Fashion Week

By CATHERINE ROSENHEIMER
Jerusalem Post Reporter

HERZLIYA. — A violent explosion rocked the night sky of Herzliya on Monday night — but it was not sabotage at the Sharon Hotel, meant to mark the festive ending to the opening night fashion parade, presented by 26 of the 85 participating manufacturers at the second Summer Fashion Week.

The show's producer Jerry Melitz, fashion coordinator at the Export Institute's Fashion Centre, managed to colour match the brilliant yellow, emerald, coral and sand colours of the rockets to the tones of the final fashion line-up. Or maybe 1978 summer and spring fashions have simply come to his aid, decreeing that the new "in" colours are brilliant rainbow hues, combined with sand tones, beige and white.

Opening the show, put on for the benefit of some 800 foreign buyers and visiting journalists, Commerce, Industry and Tourism Minister Yigael Hurvitz stated: "There is nothing more important to our economy than earning honest dollars, not from loans, hand-drawn, but by exploiting natural resources, such as cotton, combined with productivity, technology, imagination and talent."

Regrettably, the minister speaks no English, leaving the visitors from abroad fidgeting somewhat uncomfortably in their seats during his speech. A compare gave an ad-lib translation from the text she was handed at the last minute.

Shortly afterwards, the audience was compensated by a fast-moving fashion display. Colourful groups of three, four and more models followed each other in rapid succession through the giant arched backdrop and onto the catwalk stretching across the poolside lawn, dancing to samba, Latin American and old fashioned mood music.

The big colour story was white ("No longer a dirty word in the rag trade," commented one buyer), lots of sandy hues well-suited to a seaside setting, and ice cream shades like pistachio, marigold, yellow, red and lilac, often combined in the stripes of one dress.

There were touches of Tahiti and Hawaii in Götter's show-stopping sarongs and swimsuits with fruit and flower border patterns on brilliant purple grounds; there were belts made of ropes and toggles atop

beautifully cut pale brick two pieces by Ego; knitted stripes, berandas with T-shirts, reminiscent of the 20's look; male beachwear from Helen Knits; gold hamsa and wishbone charms dangling from Rikma's new swimwear collection; "burnt" lace cover ups and pompadour trimmed muslim, multi-coloured "balloon" dresses from the same firm.

The biggest styling story was one of neutral cottons combined with lacy layers and trim, seen throughout the show: strapless layered broderie anglaise dresses by Alaska, ones trimmed with baby blue and pink ribbons by Adler, and many others.

Carmel leatherwear manufacturers came up with ultra soft sandy goat made for tops and skirts, scolloped edged and punched with holes to look just like lace.

The show cost an estimated IL250,000, paid for by manufacturers. "If the aim was to provide a lovely cabaret and free entertainment for the public of Tel Aviv and Herzliya, the show was worth it," said one

major buyer in the British delegation. "But not if you want to sell export fashions to the trade. The people who put on fashion shows here ought to come to London and Paris to learn how. Buyers in our group resented being pushed aside by the crowds. They were provided with no catalogues, no descriptions of fabric types or price ranges."

Comments on the collections themselves were more favourable. Cyril Kern, Chairman of the Anglo Israeli Fashion and Textile Committee said: "What you're showing here proves that you have to be in a hot country to design well for the heat. Your swimwear and sportswear are excellent."

A buyer from Ireland was impressed by evening and summer ranges here. "I never came before because the EEC import tariffs were previously higher in Elze than anywhere else. Now that they have been lifted, I see good possibilities here."

Fashion Week continues until Thursday evening.

Court denies bail to Arab villagers charged with seditious singing

Jerusalem Post Reporter

HAIFA. — The appeal by two Majd el-Krum residents, charged with seditious singing, against their detention, was dismissed by District Court Judge Eliezer Bar, yesterday. Ten other villagers, also accused under the seditious charge, then withdrew their appeal against their detention, also for 15 days.

The residents were arrested last Wednesday and Thursday, following a village wedding, at which they allegedly sang or applauded seditious songs. They were brought before an Acre Magistrate the next day, and remanded for 15 days, to give the police a chance to investigate the charges.

In rejecting the appeal of two of the accused, Hassan Musa Sawad and Mahmud Ahme Krusem, Bar said the police evidence contained prima facie evidence of inciting to rebellion, which was a very grave offence. He noted that there was a fear that the accused would try to influence witnesses if released.

Furthermore the police had promised to complete the file and send it to the District Attorney before the detention period is up.

The accused's lawyer had claimed, at the time of their detention, that most of the 12 suspects were members of the Communist Party and that their arrest was motivated by other reasons. He claimed it was subterfuge to keep the men detained for a protracted period to enable the police to collect other material, "mainly political" against them.

According to the police the songs at the wedding had been hostile to the State's very existence and included such passages as "O God let the Palestinian Arabs come and slaughter all the Jews," "The Front is strong and must conquer Palestine," "The Land talks Arabic," etc.

It is understood that nationalistic songs have become the fashion at Arab village weddings, and the police has now stepped in to put a brake on their increasingly hostile tone.

Hotel service is getting worse

TEL AVIV. — The level of service in local hotels is steadily dropping — not improving. This was admitted on Monday by Yehzekel Talmon, chairman of the board of directors of the Israel Hotel Association, at a press conference devoted to the forthcoming (September 4) "International Congress of the European Association of Hotel School Directors."

Talmon gave a very simple explanation for the deterioration of the situation — "tomorrow is running 28 per cent ahead of last year — but the output of trained hotel staff is lagging desperately behind."

Moreover, the country's three hotel schools were not attracting enough people. "It's all very nice to throw in university students to work in the hotels. A lot of tourists like to meet a student who can discuss Brezhnev's views, and other tourists like to see a student waitress wearing a mini — or at least to see her legs. But in the

final analysis, they also want clean rooms, good waiters, and fast and efficient service."

Alexander Suprun, director of the division of hotel schools in the Ministry of Industry, Commerce and Tourism, said that more than 140 persons were coming from 20 countries (including Rumania) to attend the conference. The European association, he noted, was, despite its name, an international group, and members were coming from as far away as Mexico, South Africa, Iran, and Brazil.

The Arab countries were members, but none were sending delegates, although there was a slight possibility that Nuh Damos, of Lebanon, might turn up. The guests would not only hold three days of discussions, but also tour the country extensively.

Suprun believed that more students might be attracted to the

three schools — which have already graduated a combined total of 7,000 persons — if the graduates were given to understand that working in a hotel was the first step to running, or even owning, a small hotel, a riding stable, a night club, a ski jump, a restaurant, or a catering service.

At present, there are 150 students in the school in Haifa, 140 in Jerusalem, and 270 in Herzliya. Some of the courses were only four months long — such as for waiters, others were two years long — such as for junior executives. As a rule, generous grants took care of the tuition (except those learning hotel management).

At present about 20 per cent of the students were Arabs. Some 16,000 to 12,000 persons worked in the hotel industry. Of these, about 20 per cent again were Arabs, many of them from the administered areas.

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Jerusalem	Ramat Zion Traditional Elementary School, French Hill	02-810169 02-813588	Ms. Rose Weinberg Mr. Alex Brill
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Beisan Valley	Kibbutz Neveh Eitan	065-88530	Mr. Moshe Shubov
Gali Ma'aravi	Kibbutz Gasher Haziv	04-922071 04-922840	Mr. Herzl Dobkin
Haifa	Real High School Hall, Kiryat Sefer St., Ahuva	Membership and seat reservations: Aug. 31, Sept. 4, Sept. 9, at Synagogue Offices, 7 Horev St., 7:30-9 p.m. Further information: 04-241494 04-252382	Mr. Saul Ber-Levav Mr. Reuven Karni
Hebron	Kehillat Ahvat Avraham at Ohef Meod, Kiryat Arba	02-971014	Mr. Eitan Ben-Yosef
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Petah Tikva	For information, please contact	03-901042	Mr. Azriel Naor
Ra'anana	United Synagogue, Beit Wizo	052-31081	Ms. Miriam Simon
Rehovot	B'nai Brith Building, 183 Herzl St.	03-959752 Registration 1833 Herzl St. (courtyard) on Sept. 7, 8, 11, 5-7 p.m.	Rabbi Meir Ydit at B'nai Brith Club
Safad	Kehillat Shalva, Hadassah St.	067-30270	Rabbi Joseph Heckelman
Tel Aviv	Kehillat Sinai, 10 Kaplan St. (B'nai Brith)	03-747116 03-624183	Rabbi David Zisowine Mr. Yaakov Anavi

In and out of the Hilton Hotel pool

'Psychoanalysts drive management crazy'

By JUDY SIEGEL
Jerusalem Post Reporter

Two objects were thrown into the Jerusalem Hilton pool during the heat wave on Monday — one costing the hotel IL2,000 and the other netting the Alyn children's hospital a donation of IL500.

By the time the Hilton hijinks had ended, an innocent wedding guest was soaked and the pool had to be emptied, cleaned and re-filled.

The hotel management was distressed to hear that on Monday afternoon a drinking glass — stamped with the Hilton emblem — had been tossed into the pool from a room above, hitting a swimmer in the back and shattering into pieces. The hotel suspects that the mischief-maker was a delegate to the 30th International Psychoanalytic Congress. "The psychoanalysts are driving us crazy," grumbled a Hilton executive.

Over 450 of the 2,000 delegates from around the world are filling the hotel, and hundreds of their colleagues booked at other hotels queue up for hours at the Hilton restaurants for lunch during convention breaks.

Fearful that the broken glass would injure a guest, the management decided to empty out the water and fish out the fragments. But they decided to wait until after a poolside wedding that united the Schrager and Findling families in the evening.

When the reception was over, the father of the groom offered a IL500 contribution to the favourite charity of a guest who felt like cooling off by jumping fully clothed into the spotlight-drenched pool. When no one volunteered, a few guests surrounded Richie Fox, an American immigrant who owns "Richie's Pizzeria" in Jerusalem's Rehov King George, and asked him if he would first like to remove his watch. Richie assured them his timepiece was waterproof, and put up no resistance.

Wearing a Panama hat, white cord



Richie Fox, wearing a waterproof watch, did not object to being thrown into the Jerusalem Hilton pool because it was for charity. (Richard Charbit)

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FOR SALE. — A Saudi Arabian company is bargaining with France to buy the retired luxury liner "France" for use as a floating hotel, Equipment Minister Pierre Fourcade said in Paris on Sunday. He declined to discuss prices, but estimated the ship's worth at between \$12m and \$20m. The "France" was taken out of service in 1974 and has been docked at Le Havre ever since. (AP radiophoto)

Indira's defence minister charged with misappropriating funds

NEW DELHI (UPI). — Police arrested the Defence Minister of former Prime Minister Indira Gandhi's cabinet yesterday on charges of misappropriating nearly \$80,000 worth of funds belonging to the youth wing of the Congress Party.

Former Defence Minister Bansi Lal, 49, was arrested at a police station in his hometown of Shiwan, 104 km. northwest of New Delhi. Lal allegedly misappropriated 350,000 rupees (IL380,000) in cash and three van-type vehicles belonging to the youth congress.

A former chief minister of Haryana state, Lal became defence minister in December 1975, six months after Mrs. Gandhi imposed a nationwide state of emergency, accompanied by sweeping arrests of her political foes and suspension of civil liberties.

Lal was one of what Indian journalists have come to call "India's gang of four" or "the caucus," four

men considered most responsible for the darker aspects of emergency rule. He is the first of the four to be arrested.

The other three are Mrs. Gandhi's 30-year-old son, Sanjay, former information minister V.C. Shukla, and former minister of state for home affairs Om Mehta.

All served as close aides to Mrs. Gandhi and wielded great power apart from their official posts during the emergency. Lal was a close friend of Sanjay Gandhi, who reportedly strongly urged his mother to make him defence minister.

Lal's arrest came eight days after the arrests of 10 men, including three top aides to Mrs. Gandhi, on charges of looting nearly \$7m. from the Congress Party treasury and channeling it into phony firms for their own use.

The 10 arrested are all free on bail pending further investigation and the filing of formal court charges against them.

Uganda tries sixteen for conspiracy

NAIROBI (UPI). — Sixteen prominent Ugandans went on trial yesterday before a military tribunal accused of plotting to overthrow President Idi Amin. Radio Uganda announced.

The Ugandans were arrested in February and include the former chairman of Uganda's public service commission, Abdullah Anyuru, the former chief inspector of schools, Y.Y. Opat, a former military intelligence officer, Lt. Ben Ogwan, and former assistant commissioner of police Daniel Musareko who was also under secretary in the Ministry of Internal Affairs.

Also implicated in the same reported plot was the late Anglican

archbishop of Uganda, the Rt. Rev. Janani Liwumand, Internal Affairs Minister Charles Oboto-Ofumbi, and Land and Water Resources Minister Erenayo Oryema.

All three were killed in February. The government said they died en route to an official investigation when their auto collided with an oncoming car. Church and other independent observers, however, said the three were deliberately murdered by Amin.

Radio Uganda charged that the accused held a series of meetings last year to draw up plans to recruit and train people to overthrow Amin's regime, and also to try to get military assistance from other nations.

Voyager II gets extensive checkup

PASADENA, California (AP). — Engineers at the Kennedy Space Centre in Florida began an extensive checkup of the Voyager II spacecraft, whose blast-off has been postponed by two days to September 3 to prevent the kind of mechanical problems Voyager I encountered.

Engineers paid particular attention to a 1.9-metre boom that carries a pair of television cameras and several scientific instruments.

The boom is supposed to swing out after the 950-kg. Jupiter-bound craft

separates from its launch rocket. No signal was ever received confirming that the boom on Voyager II, which was launched last Saturday, swung fully out to its intended position.

The \$500m. mission calls for Voyager I to catch up to Voyager II and pass it, arriving near Jupiter for a fly-by in 1981. The two craft will photograph Jupiter and at least five of its 13 or 14 moons, then use the huge planet's intense gravity as a slingshot for a boost on toward Saturn.

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Vance, Hua unlikely to agree on return of Taiwan to China

PEKING (UPI). — U.S. and Chinese negotiators moved closer yesterday to the core issue of their talks — the Taiwan question — standing in the way of normalization of Peking-Washington relations, but one diplomat said he did not expect any agreement.

Secretary of State Cyrus Vance's team of negotiators met for the second day with Chinese Foreign Minister Huang Hua and his staff, and scheduled a third meeting for this morning.

An American official, who has taken part in the first two sessions with Chinese officials, said both sides appear to be in no hurry on the key matter they must talk about — how to overcome the Taiwan issue that stands in the way of normalization of relations.

The impression of the Americans accompanying Vance is that the Chinese are preoccupied with their own domestic divisions, and that they are less concerned with such questions as the future of Taiwan. The American official said the U.S. side, while it would like to move forward in setting up formal negotiations between Peking and Washington, is not impatient to do so, especially if it would have to make concessions.

In the meeting so far, according to the U.S. official, the Chinese have mostly listened and have asked a few questions, but the real negotiating has not begun. Vance has had no indication that he will be meeting with Chinese party chairman Hua Kuo-feng. But one American official said that if there was no meeting with

Chinese Communist Party congress adopts anti-American and anti-Soviet planks

HONGKONG (UPI). — The Chinese Communist Party wrote an anti-American and anti-Soviet platform into its new constitution.

The document, adopted at the party's 11th national congress last week, was made public yesterday while U.S. Secretary of State Cyrus Vance was in Peking discussing the future of Sino-American relations.

Otherwise, the new constitution followed the law-and-order theme emphasized in the political report made to the congress by party chairman Hua Kuo-feng.

Marshall Yeh Chien-ying, party vice-chairman and Defence

Minister, delivered the report on the new constitution. His speech was also made public yesterday and transmitted along with the text of the constitution by the New China News Agency (NCNA).

Yeh and the constitution emphasized the need for more party discipline and tighter control from the top.

Party members should be encouraged to make criticism and given freedom of expression provided they submit to central control, Yeh said. Those who try to suppress criticism by party members "should be investigated and punished."



Shukri Ahmed Mustafa, leader of a group of Moslem extremists pleads innocent to charges of conspiracy in a Cairo military court yesterday. (AP radiophoto)

Egyptian Moslem extremists plead not guilty to conspiracy charges

CAIRO. — All defendants pleaded innocent yesterday at the start of a military trial involving 54 leaders and members of an extremist Moslem religious group held responsible for the kidnapping-slaying of a former cabinet minister last month.

The defendants, all below the age of 40 and many wearing beards, appeared defiant throughout the three-hour opening session and 17 of them, including group leader Shukri Ahmed Mustafa, complained in court that they had been beaten and tortured by security authorities.

As they awaited from gray-painted police vans and trooped into the courtroom, some shouted "Allah Akbar" (God is Great) — the traditional Moslem chant. One defendant shouted, "We do not want your civilization. We want to live in the desert under clear blue skies and pray to God."

The indictment released on August 11 and read out in court covered a wide range of charges, the principal one being the abduction and murder of former Minister of Wakaf (Moslem endowments) Sheikh Mohammed Hussein Al-Zahaby.

The charges also included the formation of an organization dedicated to "overthrowing the fundamental social system of the state," armed assault on citizens, acts of terrorism including three bomb explosions in Cairo, and collusion with Libya to "harm the national interest and undermine Egypt's political position in time of war (with Israel)."

With three defendants still at large, 51 were in the dock. They included three 15-year-old boys. The prosecution said they had been used to run errands between the hideouts of the organization, known as the Penance and Hetra Society.

The spokesman for the defendants demanded that they be moved from various prisons where they are presently held to a single jail and "unless this is done, we shall boycott the proceedings and turn our backs on you."

The court postponed hearings until September 3 to allow defence lawyers time to study the 2,000-page dossier of the case.

Nine members of the Moslem group abducted Al-Zahaby at gunpoint from his home in a Cairo suburb July 3. Police found his body, with a bullet in the head, three days later. The crime rocked the nation and brought a government crackdown on all known members of the society. More than 70 hideouts countrywide were raided and hundreds were arrested.

President Anwar Sadat decreed a military trial for speed, but chief military prosecutor Maj. Gen. Mohammed Makhoul said only the civilian penal code will be applied.

More than 350 other members of the group including 62 women will face trial before another military court. No date was yet fixed for their trial. They were accused of joining the Islamic Moslem society — a charge carrying punishment of life imprisonment. One defendant said the women were also subjected to torture and some of their newly-born babies died in prison. (UPI/Reuters)

WHITE ELEPHANT — After an elaborate parade and ceremony, the King and Queen of Thailand yesterday accepted a sacred white elephant as a symbol of good luck from the people of Narathiwat province.

Fierce battles reported in Ethiopia's Ogaden

NAIROBI, Kenya. — Fierce fighting was reported yesterday deep in the Ogaden region of Ethiopia as Somalia-backed insurgents kept up pressure on Ethiopian forces.

In a communique from Mogadishu, capital of Somalia, the Western Somali Liberation Front (WSLF) claimed 1,500 Ethiopian troops were killed and wounded in an offensive to seize control of Ethiopia's southern Bale province.

It was the first communique by the WSLF in almost a week, and said that battles were raging in the area around the towns of Gidir, Asasha, Ardo-Tarre and Rira. Large quantities of arms and ammunition were captured by the WSLF, the communique claimed.

The report could not be confirmed by independent sources since no Western correspondent has been permitted to go to the front.

According to the WSLF communique, all the towns and villages

S. Africa calls A-bomb claims 'unbelievable'

PRETORIA. — Minister of Foreign Affairs P. W. Botha yesterday dismissed as "unbelievable" French claims that South Africa is planning a nuclear explosion.

Botha denied for the second time in two days the country has built atomic test installations or plans atomic tests for any purpose.

De Guringaud was quoted as saying on French radio: "We have received information that there are in South Africa preparations for a nuclear explosion, which the South Africans claim will be peaceful."

The French radio claimed South Africa had built atomic test sites in the Kalahari Desert which had been spotted by Soviet and U.S. satellites.

Rumours of South Africa's nuclear capability began in October 1974 when atomic energy board vice-president Len Alberts declared that South Africa was technically more advanced than India.

Earlier that year India successfully detonated a nuclear bomb.

"Our technology and science have advanced sufficiently to produce it if

we have to," Dr. Alberts said. He declined to elaborate and subsequently was chastised by the government for the remark.

Speculation on South Africa's nuclear weapons capability has been rife since then but the government, which is open about its aim to harness the atom for peaceful purposes, has repeatedly denied and dismissed as "unfounded" suggestions it is building the bomb.

But Connie Mulder, Minister of the Interior, said early in 1977 that: "If we are attacked, no rules apply at all if it comes to a question of our existence."

South Africa's nuclear programme was assisted at first by the U.S. and later France, which sold two reactors to Pretoria.

The liberal "Rand Daily Mail" of Johannesburg reported yesterday that black Africa's bitterness towards France and West Germany for supplying South Africa with nuclear technology could be a reason for the French charges and indignation. (AP, UPI)

U.K. airport slowdown delays Concorde to U.S.

LONDON (UPI). — The eight-day-old work slowdown by air traffic control assistants yesterday grounded British Airways' supersonic Concorde flight to Washington and frayed tempers among thousands of long-delayed travellers at Britain's main airports.

Vowing never to return to Britain, a dozen angry Americans hoarded an American flight to New York after spending 18 hours at Heathrow Airport waiting in vain for a British Airways flight to leave.

At Gatwick Airport 280 New York-bound passengers approached the 24-hour mark in their departure delay.

Employment Secretary Albert Booth met last night with leaders of the Control Assistants' Union in a bid to avert their threatened four-day strike which would snarl travel plans for more than a million passengers using British airports.

The 350 assistants voted overwhelmingly on Monday to strike from midnight tomorrow to back their pay rise claim. The government says it cannot grant the inflation wage restraint programme.

'Hussein to wed Lebanese girl'

BEIRUT (UPI). — King Hussein of Jordan has decided to marry a young Lebanese girl from the Baalbin Village in the Shout district southeast of Beirut, the French-language Beirut newspaper "Le Reveil" reported yesterday.

The newspaper, citing informed sources in the Jordanian capital, said the 41-year-old monarch first met the would-be bride, who was not identified, at the house of one of his ministers.

Hussein's third wife, Queen Aila, died in a helicopter crash earlier this year.

Rome's 'Daily American' closes down

ROME (AP). — The "Daily American," the English-language daily newspaper published in Rome, is ceasing publication after 32 years, its publisher Chantal Dubois announced on Monday. He said the paper was folding after months of litigation with the printers union and court rulings against the publication.

The "Daily American," whose circulation once exceeded 20,000, was founded in 1945 by staff members of "Stars and Stripes," U.S. armed forces daily.

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THE FILM

Mr. Bar

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France tries to alter vacation migration

By JACK MAURICE/Jerusalem Post Correspondent

PARIS. — As France gets back to work after its summer holidays, the government can at long last congratulate itself on persuading citizens to break with a habit which has been costing the economy 6 billion francs (1100) every August. This is the price tag which the Ministry of Industry puts on the traditional refusal of French industrialists to stagger vacation periods for their staff and their machinery.

The massive migration of French families to and from the seaside and mountains during the first and last weekends of August is reflected in a 35 per cent fall in production. In Britain and Italy, the drop for the same month is 15 per cent, in West Germany 5.5 per cent and in the U.S. only 1.5 per cent.

This exodus is also blamed for a 4 per cent increase in the retail price index. Congestion on the roads takes its toll in blood as well as by boosting the nation's energy bill: 500 deaths and 6,000 injured in motor accidents.

The irony of this costly and often tragic situation is that most Frenchmen would prefer to take their 30 days of paid holiday at other times. Only 83 per cent plumped for August in a recent opinion poll. The

other 67 per cent said they would pack their bags earlier or later — if they had the option.

Successive French governments grappled helplessly with this problem until Premier Raymond Barre persuaded the motor vehicle industry this summer to set an example which looks like becoming an irreversible precedent.

It took nine months of laborious negotiations by Minister for the Quality of Life Vincent Auzanar to convince manufacturers to release their workers in seven successive waves throughout July instead of simultaneously at the month's end.

The agreement involved 273,000 salaried employees and, in a chain reaction, 300,000 more workers in firms operating as sub-contractors. Adding their wives and children, the number of holidaymakers who began staggering their summer break this year totalled 2 million, for the entire automotive sector.

Air France, which ferries hundreds of thousands of Arab workers home to North Africa as soon as the

motor car assembly lines stop, has been able to breathe more freely. The airline reckons that traffic for the first weekend of August, which has always given its management and personnel their worst annual headaches, dropped by over 20 per cent this time.

French Railways were also relieved. It maintains 1,000 coaches for peak holiday weekends at a cost of 1 billion francs. If staggered holidays become an integrated part of the French social scene, they will be accompanied by opportunities for immense savings on rolling stock.

The government hopes the lead given by the automobile-makers this summer will be followed by the chemical industry, France's other major employer, next year. Banks and insurance companies, whose activity hardly falters throughout the summer, are offering incentives to staff who take time off later in the year. A one-day bonus is granted for a four-day holiday and two days for holidays exceeding five days.

But obstacles still remain. Estate

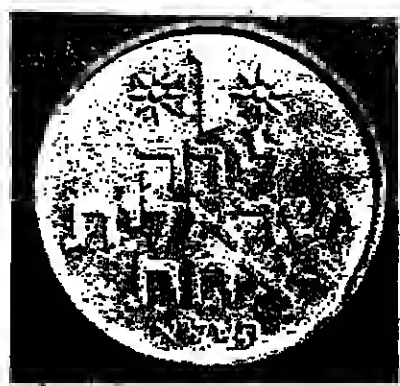
agents, tour operators and landlords who specialize in providing summer accommodation are reluctant to break with their practice of letting by the month in favour of weekly rentals. Roger Lemiale, president of FNAIM, an organisation which groups 80 firms with 95,000 holiday homes on their books, says: "To make weekly renting worthwhile we shall have to ask the government to put up our rents by one-third. The alternative is to free our properties from rent controls."

Another drawback for families with young children is that school holiday dates are not staggered. But Minister of Education Rene Haby, who set different periods for the Easter break for schools in the North and South of France a few months ago, hopes to introduce the same system during the three-month summer break in 1978.

While he was still Finance Minister, President Valéry Giscard d'Estaing said: "Our failure to spread our holidays over the year represents a serious waste of our resources and of enjoyment. It looks as if this summer France has made a step towards the more rational use of both."

Pocket money: learning how to spend

ALL IN THE FAMILY/Eleanor Harris



Source of freedom and responsibility.

WHILE parents are struggling with obligations that amount to thousands of lirot, it may seem like the height of absurdity to suggest that they also worry about personal allowances or pocket money for their children. Yet this, too, is a necessary part of the total family budget; and in terms of personal development and family relationships, it may be even more important than the larger sums.

The ways in which an individual — or a family — handles money are as varied as any other personal characteristic, and each family develops a style of its own. Every newlywed couple spends a good deal of time and thought creating a system of handling money that is appropriate for them, knowing full well that success in this area is one of the requisites for a sound marriage.

By the time the children are old enough to participate in the spending of the family income, the habits of "money-management" are already well set, and the disbursement of petty cash for "Bazooka," "Bom-ba," or small toys just gets tacked on to the grocery budget.

Very often the children are quite grown up before any real thought is given to their personal spending money. But since money is going to be spent anyhow, whether for bubble gum or for school supplies, it is important to consider how it is spent.

THERE CAN BE no single prescription for handling allowances that will suit all families. I can only share with you my personal thoughts on this subject.

I believe that a personal allowance for each child is a legitimate and necessary part of the family budget as food and housing. If you accept this premise, then certain others follow very naturally.

An allowance for this child to manage by himself can start as soon as the child is able to count the money. Let him participate in fixing both the need and the amount. The extent of the freedom and respon-

sibility for doing so increases each year, taking into account, of course, the life-style and the means of the family. For example, I see no reason why a 17-year-old girl who lives in a city should not be responsible for the budgeting and buying of her own clothes, as well as for handling her monthly school expenses.

Whether it is 10 agorot a day for saving and counting at age five, or 100 lirot a month for transportation and school supplies at age 15, payment should be made on a fixed schedule. If you accept this as your responsibility, then do it gracefully — no late payments, no forgetting, and no changes, except by mutual agreement. You can't teach your child to manage his money responsibly unless you treat it responsibly.

An allowance is neither largesse on your part nor a reward for the recipient. The allowance covers legitimate needs and should be inviolate. You wouldn't punish your child by withholding food or keeping him home from school; therefore, you cannot withhold his bus or snack money.

An allowance is not payment for

chores. All the members of a family have responsibilities for the maintenance of an orderly home, and certain tasks to perform for which they are not entitled to any remuneration.

The expenditure of money outside the home and the non-expenditure of energy inside it are two frequent sources of friction between parents and children. To couple these two may exacerbate both and alleviate neither.

ON THE OTHER hand, if an older child is willing to take on a chore for which the family habitually spends money, then this should be treated as a part-time job, for which he is entitled to be paid.

For example, if a family does its own home maintenance, gardening or car-washing, then children should be expected to participate without any thought of payment. But if the car is regularly washed at the gas station, then why shouldn't some enterprising kid (including your own) compete for the business?

One 17-year-old of our acquaintance is saving up money (for driving lessons, what else?), and she and her best friend have taken over the weekly cleaning chores at their respective homes. They work together: they clean one flat on Monday morning (no classes) and the other on Thursday afternoon. By the time they meet the Transport Ministry's age requirement, they will have the money for their driving lessons well in hand. *Kol hakavod.*

An allowance should not be contingent on a youngster's part-time job; I see no reason to penalize his ambition or achievement. However, a parent does have to exercise some control where a youngster has too much cash available.

When our son was just starting to earn extra money by doing chores for the neighbours, he and his father

agreed that as long as his allowance covered the "net" what he earned he could spend one-half of what he earned as he pleased. The other half was to be saved in a co-signed bank account.

AN ALLOWANCE is one of the focal points that reflects the quality of the relationship between parents and child. A parent should be able to say, "I can't afford this," without feeling guilty or ashamed. (Whatever happened to the old-fashioned virtue of living within one's means?)

Parents have to be able to exercise a measure of candour with their growing children so that they have a realistic picture of the family's financial circumstances. A child should be allowed to hear his parents discuss budget problems and plan for major purchases so that he realizes that financial deprivation is not the exclusive disadvantage of a 12-year-old on a limited allowance.

An allowance is a contractual agreement between parents and children. It is true that the parent has an obligation to deliver on time; it is equally true that the parent has an obligation to withhold the allowance for an extra stipend or "loan" which is not in the contract. The breaking of the contract, by either party, should be for cause, and only after agreement on both sides.

If, as part of the family financial plan, the allowance is accepted by both parents and children, then it won't hurt the 10-year-old one bit to be deprived of an extra ice-cream, and the 16-year-old will be too proud to ask for something that is clearly beyond the family capability.

I've heard warnings about the evils of money, but I've never had enough of the lure to put those warnings to a personal test. I do know that the filthy stuff can say some very nice things to the children. Used intelligently, an allowance can say things like, "I trust you," "I respect your right to make choices," and above all, "I recognize that you are growing up."



David Ben-Gurion, as a student in Turkey at left, and with Winston Churchill.

Delving into B-G's legacy on paper

By GIDEON WEIGERT

MATERIAL connected with Ben-Gurion's work, message and times, the study of Israel's renaissance, and the publication of the results of his research. The Institute was also created to transfer some of the scientific aspects of its teaching and research to the Beersheva University.

A VISIT to the Ben-Gurion Archives, these days leaves even the most seasoned observer almost speechless. The Archives consist of the following major categories:

B-G's personal diaries, in his own neat handwriting and arranged by him chronologically in thickly-bound copybooks, each having its own table of contents and index; a fair proportion of the letters received by him from people in Israel, and from friends, acquaintances and statesmen from all over the world; minutes recorded in his own handwriting, and copies of the minutes of party conventions and of all the meetings and discussions of the public bodies, institutions and committees of which he was an active member; copies of all his speeches and lectures, and articles in the local and world press; unpublished manuscripts; his War of Independence diary; and his memoirs from 1907 until his death.

Of the last mentioned, Ben-Gurion in his later years prepared four volumes for publication, covering the period to 1933. The Institute staff is now preparing the material from that time onward.

In the first stage of their work, the Institute's archivists micro-filmed all the material and had it photo-copied. The documents and other items then underwent preliminary classification according to general subjects and dates. Says the Institute's director, Gershon Rivlin:

"For our second year of work, we hope to engage additional staff and obtain part-time help from outside researchers as well. With the aid of historians, we are at present engaged in preparing a detailed, scientific index-key for the material up to 1948, and we are progressing with the

first-stage classification of material from the War of Independence onwards."

Simultaneously, experts have been recording the reminiscences of some 200 of Ben-Gurion's contemporaries in Israel and abroad — Jews and non-Jews — each of whom has his own personal version of "the B-G period." The recordings are transcribed and added to the Archives' records, their main points being entered into the index with the necessary cross-references to help the student in search of material on particular topics.

OF PARTICULAR interest are the Israeli leader's meetings with Arab leaders from Palestine and neighbouring Arab countries. Copies of his correspondence, and minutes of his meetings, with such personalities as Mussa Bey Alami, John Philby, Mussa Hussein, Iraqi Premier Nuri el-Said and many others are to be found in the Archives.

Rivlin hopes that the classification, preparation of the catalogue, index entries, and compilation of a "Ben-Gurion Dictionary" will be completed by 1981. The dictionary is to include names of people and organizations and code-names of events mentioned frequently in B-G's writings, but virtually unknown to a new generation.

The Institute is open to students and researchers as well as to the general public. Schools and organizations are especially welcome. There is a small-scale exhibition on the man and his period, and an explanatory talk places special emphasis on his plans for the development of the Negev. There is also an embryo reference library, which is growing rapidly. (B-G's own 30,000-volume library — in eight languages, including Turkish, Spanish and ancient Greek — is preserved in his hut and his Tel Aviv house.)

Mr. Rivlin hopes to be able to add to the Institute's regular activities a centre for the preparation of teaching material for use in schools, and a publishing house to prepare and publish Ben-Gurion's literary heritage.

SUPER CUE BID

BRIDGE
George Levinrew

The bidding until South's second turn to bid:

NORTH
♠ J 4
♥ A J 10 8 2
♦ J 7 6 5 2
♣ A 10

EAST (D)
♠ A 7 5
♥ Q 8 6
♦ Q 9 8
♣ K Q 8 2

SOUTH
♠ 8 5 4
♥ K 10 8 2
♦ K 7 4 2
♣ —

THE three no trump by North was the unusual no trump, asking South to bid his better minor. What would you bid as South? Rodriguez bid five clubs! West closed the bidding with five spades.

South had expected to be doubled in five clubs and to flee to five diamonds. He intended the five-club bid to lead directing should West play the hand in spades, and hoped that he had set the stage for North to lead a club. And that is what happened. South ruffed, returned a diamond to the ace, and ruffed another club, setting the contract.

In the replay the British East-West pair were allowed to play in four spades, making. The German North-South pair did not have the imagination to make the super cue bid.

BRIDGE CALENDAR
Coming Events
Friday, August 25, Jerusalem, Hesse Cup. A national pairs tournament at the Diplomat Hotel, two sessions starting at 4:30 p.m.
Saturday, August 27, Jerusalem, Adler Cup. A national tournament for teams of four at the Diplomat Hotel, two sessions beginning at 9:30 a.m.

Hot weather salads

FROM MY JERUSALEM KITCHEN/Sybil Zimmerman

PEANUT CHICKEN SALAD

4 servings
3 cups diced cooked chicken
1 cup diced celery
1/2 cup salted peanuts
1/2 cup mayonnaise
2 t. lemon juice
1/4 t. salt

1. Combine chicken, celery and peanuts in a bowl and toss.
2. Mix mayonnaise, lemon juice and salt in a second bowl and blend.
3. Pour dressing over chicken mixture, toss again and serve.

FISH SALAD

4 servings
1/2 kilo raw, boned fish
water
1 small, sliced onion
1/4 t. salt

3 T. mayonnaise
salt and pepper to taste
1 T. chopped fresh parsley
2 ribs chopped celery
1/4 t. lemon juice
1/4 t. sour cream

1. Place fish in a saucepan or skillet with water to cover, onion and salt. Simmer for 20 minutes. Drain off water, save onions, place in a bowl and refrigerate until cool.
2. Mix mayonnaise, sour cream, salt and pepper, parsley, celery and

lemon juice in a bowl. Add fish and flake with a fork to mix sauce with fish.

Note: Frozen filleted fish (bake) in Hebrew, hake (in English) is inexpensive and good for this salad.

RUSSIAN SALAD

(as a meat meal)

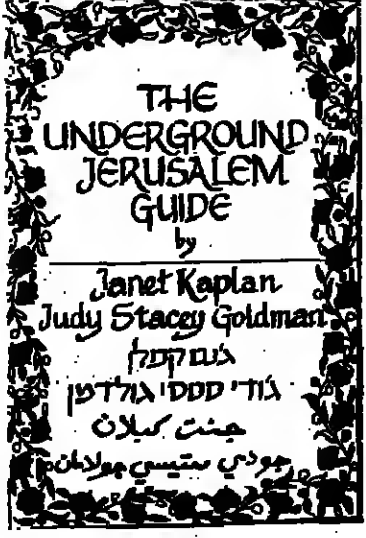
8 cut-up leaves Romaine lettuce
1 cup cut-up turkey meat
1 cup cut-up salmon
2 hard-boiled eggs
2 cut-up tomatoes

Optional:
1 cut-up carrot
1 cut-up cucumber
1 chopped green pepper
2-3 cut-up radishes
1/4 cup red or green cabbage
Dressing
1 t. red horseradish

8 cut-up leaves Romaine lettuce
1 cup cheese, cut in pieces
(Tul ka-emek, kashkaval, etc.)
2 hard-boiled eggs
2 cut-up tomatoes
1/4 cup black or green olives

Optional:
anchovies
any vegetable you like
1 cut-up lettuce, cheese, eggs and tomatoes. Add vegetables and anchovies, if you wish.
2. Mix dressing for Russian Salad for meat and just before serving, epill over salad and toss lightly.

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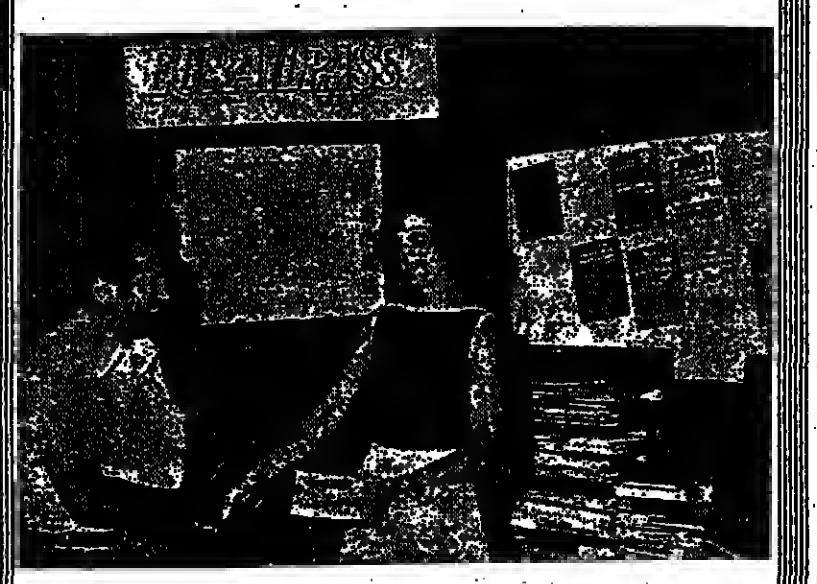
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Photo: Mrs. Michal Shochori, representative of E.W.T.R., presents the prize to the happy winner. (Communicated)

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TEL AVIV STOCKS

Host of shares trade unchanged

Jerusalem Post Finance Reporter
TEL AVIV. — The share market exhibited an unusual "steady as she goes" attitude yesterday. A whole host of shares traded unchanged. The stability was achieved in a very active market, which saw more than 11,000 shares traded alone, including convertibles and the various bonds "on the floor," trading almost reached 11,000.

The board of directors of the Tel Aviv Stock Exchange announced yesterday that the exchange will close for one day next Wednesday, August 31. The step was taken to allow members to catch up on paper work. (See story below)

Financials brought back the best results of the session. Bank Leumi, again the most active, secured a five point gain to 333. IDB was two higher at 315, also in very active trading. Union Bank was four better at 590.4, while Hapoalim gained one to 385. Mortgage bank issues were virtually unchanged from Monday's closing. Insurance shares followed suit without showing any distinguishable pattern.

Israel Electric dropped by 30 to 674. Land development and real estate shares also marked time. Industries spent a dull day. Argaman pref. (R) were fixed at 541

after a "buyers only" situation. Phoenicia shares were "sellers only."

American Israeli Paper Mills were 10 lower at 450. Frutarom (new) shares were very active with more than 11,000 being traded, but the price rose only by one point to 200.5. Elite cum options was five better and regained its recent high of 225.

Electric Wire and Cables (E) was 20 higher at 311. The move came after an excellent earnings report. Among investment company shares, trading was relatively stable. Amisur options, however, fell by almost 9 per cent to 355. Pama gained 1.5 per cent to 385.

The general index of share prices rose by .25 per cent to stand at 180.49.

Most Active Issues

Bank Leumi	333+5	11,330,000
IDB	315+2	11,780,000
Frut. (new)	200.5+1	11,154,000
Shares traded:		11,000 am.
Convertibles:		11,121,000
Index-linked:		11,173,000
Warrant:		11,146,000
Other:		11,146,000
Turnover:		\$118,000

El Al Jumbo pilots net IL27,000

By SHLOMO MAOZ

Jerusalem Post Reporter

An El Al Boeing 747 Jumbo captain takes home IL27,400 a month after the pay rise in the latest labour contract. El Al general manager Mordechai Ben-Ari told the Knesset Economics Committee on Monday.

Ben-Ari told the committee that paying the income tax due on pilots' and flight engineers' salaries will cost El Al some IL50m. a year, and that the present net salary of a Jumbo pilot is only IL1,000 higher than before.

Still, even after the reduction of the foreign exchange component in their salaries, the pilots will get \$2,000 per month converted to Israeli pounds, which means that their salaries in local currency will go up with every devaluation.

The salary of a Boeing 707 pilot is now IL18,600, instead of IL17,000. A flight officer in a Jumbo will get IL18,300 instead of IL14,400 before. The biggest pay increase was given to flight engineers, who so far had IL14,400 net and will now get IL14,100.

The Knesset Economics Committee discussed the new El Al labour contract at the request of Amos Hadar, MK.

Committee chairman Gad

Ya'acobi said the agreement was more or less in line with the policy of the previous government in which he was Transport Minister. This policy held that the income tax reform should apply to airline personnel as to other taxpayers, and that the foreign currency component in their salaries should be reduced, while their net salaries should not decline.

Ya'acobi would not say if the new agreement was reasonable in his view, but added that the committee would publish a statement after hearing Finance Minister Simha Ehrlich this week.

El Al has not yet solved the dispute with its personnel about the so-called Grounding Fund — a fund set up to help pilots who are grounded for reasons of health and have to leave the company.

The Economics Committee asked Ben-Ari to submit tables of salaries for El Al flight personnel compared with European airlines. He was also asked to supply data on the changes in salaries and their component parts in the last few years compared with the present agreement. Finally, he was asked to provide an evaluation of El Al's financial position after paying taxes on the new salaries.

Irresistible sardines

By YA'ACOV FRIEDLER

Jerusalem Post Reporter

HAIFA. — The sardines have returned to the shores of Israel, to the delight of the fishermen. Following the disastrous start to the present season, with practically no catches during the first half of the year, large shoals of sardines reappeared in the Haifa Bay area last week.

The fishermen, who had run up heavy losses during the first half year and had despaired of making good, went after them with a will, but found that the fish were still small. But, though the canning industry will take only 120 tons of small sardines a season, and the Fishermen's Union limited them to one ton a night per group, the fishermen "could not be held back. If there are fish in the water, there's no power that'll keep a real fisherman from the sea," union secretary Ellyahu Kalai told The Jerusalem Post. All his pleas to wait another month to give the sardines a chance to grow tall on deaf ears, and the men are now bringing in their nightly quota, of a ton per group.

Kalai noted that fishermen don't take "tomorrow" for an answer, and rather than risk the loss of changing and the sardines going out to sea, they prefer a ton in the net now rather than bigger catches, perhaps, later.

He hoped that the season will now pick up and that the absence of sardines, during the first half year, was the result only of the abnormal weather, which has changed to typical Israeli summer weather and sea conditions.

Call for check on unoccupied industrial sites

Jerusalem Post Reporter

Government-built industrial buildings must not stand empty when there are businessmen anxious to occupy them, Deputy Minister of Industry Yitzhak Peretz believes.

Peretz recently reviewed the list of industrialists and small workshop operators waiting for premises in buildings erected by Mivne Ta'asiya, the government firm that builds industrial structures in development towns and then leases space to businessmen.

Though the waiting list is growing, Peretz found "many" completed buildings — or parts of buildings — empty. The reason is that, for some unforeseen reasons, the original lessees could not occupy the premises within a specified period. Then, instead of restoring the space to government ownership, they continue paying rent while they "prepare to enter," the deputy minister pointed out.

Sometimes, this "preparation" period lasts for years. Meanwhile, other industrialists, ready to start production, cannot get space in Mivne Ta'asiya buildings because there is no room available, and construction of more buildings has been curtailed by the austerity programme.

This week, Peretz asked Haim Haham, head of the development towns unit in the ministry, to prepare a report on the availability of "rented but empty" quarters.

"We will tell the lessees to either return the space to us or sub-lease it to the other fellow," Peretz said.



DRIVING ON MARGE: Richard Clem, of Flower Mound, in Texas, says this car engine of his can run on vegetable oil and, what's more, he can recycle the oil. This is his revised model and he hopes to have it on the road in a fiberglass body next January.

(UPI telephoto).

East Jerusalem hotels raising group rates

By HAIM SHAPIRO

Jerusalem Post Reporter

East Jerusalem hotels will raise their rates by 10 per cent from September 15, Ahmed Zuhair Afifi, president of the East Jerusalem Hotel Association, told a press tour of Jerusalem hotels on Monday.

Afifi noted that the price rise will not affect the published "official" price quoted to individuals, which will remain the same, but will be felt in the group rates offered to agents. In any case, he noted, practically all the guests of the hotels in the Arab sector of the city come in organized groups, he pointed out.

Normally, if hotels decide to raise their prices, it is from March, the beginning of the tourist season. But Afifi said that the high rate of inflation, which he estimated at 40 per cent, made the present move necessary. He added that the creeping devaluation (which increases the pound value of the prices, quoted in dollars) was not enough to make up for steep price rises.

He also pointed out that prices in the East Jerusalem Hotels are up to 50 per cent lower than those for West Jerusalem hotels of the same rating. He also claimed that it was more difficult for East Jerusalem hoteliers to get construction loans for new buildings or additions, than for their colleagues in West Jerusalem.

But Yehuda Greenbaum, chairman of the East Jerusalem Hotel Association, said that the group will coordinate with the Riyadh-based International Arab Consultants Organization, the report said.

man of Jerusalem Hotel Association

(which has invited the Arab hoteliers to join its ranks), noted that the same bureaucratic obstructionism was felt by Jewish hotel owners.

He said the East Jerusalem hotels should raise their prices, but felt that it should be an above-the-table increase in the published rates. The present competition between East and West Jerusalem was unhealthy, Greenbaum said.

Greenbaum manages the Haim Schiff Hotel and told The Jerusalem Post that the "chain" has received permission to build a new President

Hotel in Jerusalem on the vacant lot

adjoining the present hotel, which will become an annex.

The chain is also due to open the Ariel Hotel in Abu Tor, scheduled to begin operating in October. However, the full 126 rooms will only be ready a month or two later.

Another Jerusalem hotel due to expand shortly is the Tirtat Bar Sheva in Rebov King George. The owners of the now defunct Deborah Hotel in Tel Aviv are also planning to build two hotels to Jerusalem: in Sderot Herzl and at the site of the former Fast Hotel near Jaffa Gate.

Consultants look into Arab satellite plan

NICOSIA (UPI). — A U.S. European

and Arab consulting group has been set up to study plans by a Riyadh-based Joint Arab Satellite Corporation (ArabSat) for establishment of a satellite communications network for the Arab world, the Middle East Economic Survey (MEES) reported on Monday.

The report in the authoritative weekly said among the companies in the consulting group were the American Teleconsult, Inc., the French Compagnie Francaise de Cables Sous-Marin and Centre National Pour L'Exploitation Spatiale (CNES) and Italy's Telespazio per

Le Communicatione Spaziale.

The group will coordinate with the Riyadh-based International Arab Consultants Organization, the report said.

The \$200m. communications project is to employ three satellites: one operational, one in stand-by orbit and a third ready for launching in the event of breakdown of one of the first two.

Earth receiving and transmitting stations are planned in the various Arab countries as part of the projected telephone, telex and television communications network from the region, the MEES report said.

DOLLAR-LINKED

5% Dead Sea b 1090 1090
5% Dead Sea Junior r 580 580
5% Electric Corp. B. r 350 350

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C. of L. LINKED

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Rt. 1968 (41) b 353 353
Zit 1968 (21) b 280.5 280.5
Btl. 1968 0.5% (68) b 419 420
Btl. 1968 0.5% (81) b 341 341

OPTIONALS

Dev. 285 b 442.5 443
Dev. 313 b 340.5 340.5
Dev. 4% (3001) b 279.5 284.3

CONVERTIBLES

10% IDB b 218 218
15% Mitrabi (2) r 300 300
7% Leumi (5) b 246 244

10% Delek

10% Disc. Inv. (72) r 286 284

RANKS, FINANCIAL

INSTITUTIONS
Ostar Hityashvut r 352 350

I.D.B. pref. r 586 580

I.D.B. Bankholding r 318 312

United "A" r 590.5 574.5

Discount "A" r 572 570

United Mitrabi r 390.5 398.5

Hapoalim r 448 446

Leumi "A" r 382 382

Gen. Mortgage r 549 549

Dev. & Mortgage r 340.5 340.5

Housing Mortgage r 306 306

Tefahot 8% pref. b 586 586

Tefahot b 586 586

Ind. & Dev. 8% pref. r 348 348

Aryeh r 580 580

Hassan Insurance b 584 584

Sakar — "C" b 585 585

REAL ESTATE, LAND DEVELOPMENT AND CITRUS

Asorim r 283 282

Africa Israel IL10 r 1068 1090

Ur. Land Dev. r 882 882

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Am. Motors 15 1/4
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Just a little bit ahead

NEW YORK (AP). — Stock prices showed little change yesterday. The Dow Jones average of 30 industrials, up 3.81 on Monday, was ahead another fraction half an hour before the close. Gainers outnumbered losers about 4 to 3 among New York Exchange-listed issues. Analysts said the market's upswing on Monday, when it scored its

first gain in a week, attracted some buying. They also noted hopes for a respite from the recent sharp rise of short term interest rates.

On Monday a quarter-point increase in the prime lending rate, to seven per cent, spread rapidly through the banking industry. The increase had been initiated on Friday by New York's Citibank.

Some of the depressed basic-industry issues turned upward.

FORK STABBING. — A Haifa man suspected of impaling his wife's hand on a fork was released on IL5,000 bail by the Haifa Magistrate's Court yesterday. Police said Hussein Ude attacked his wife at the height of a family quarrel.

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CRUTIAL FUNDS OF THE IDB BACKBONDING GROUP

Exchange to close for one session

By JOSEPH MORGENSTERN

Jerusalem Post Reporter

TEL AVIV. — The board of directors of the Tel Aviv Stock Exchange announced that the exchange will be closed for one day on Wednesday, August 31. The decision has been taken to give exchange members the opportunity to catch up on the massive paper work resulting from recent high-turnover sessions.

The one day respite will lift some of the pressure created by record high trading volumes. The volume of trading, according to statistics received from national consultants, has increased from a daily average of IL40m. at the beginning of the year to a record IL250m. on August 15, 1977.

Total share trading "on-the-floor" January to July 1977 of about IL4,000m. (\$400m.) is approximately equal to all of the trading for the years 1972-1976, inclusive. At a main branch of one of Tel Aviv's banks, the paper work of preparing the daily ex-

ceptions for computerization has kept the staff at work until 10 p.m. daily.

Fortunately the country's banks, which handle the great majority of the transactions on the exchange, are highly mechanized. All purchases and sale orders are fed into a computer, and by the next morning, printed notices are ready for signature and mailing.

Nevertheless, a lot of highly detailed and accurate information must be prepared by the clerical staff of the banks prior to computer processing.

AN ISRAELI WEEK is being held this week at the Buenos Aires Sheraton, under the joint sponsorship of El Al and the Israel Government Tourist Office in the Argentine capital. In addition to Israeli food in the dining room, events will include a fashion show of Israeli swimwear.

Hapoalim issue

BANK HAPAOALIM has announced that a draft prospectus has been sent to the Securities Authority detailing a new financing issue. The bank proposes to issue: IL20m. worth of IL1 shares; IL10m. worth of IL1.50 options; and IL210m. worth of 18 per cent convertible notes.

The shares, options and convertibles will be offered, after approval, in units of 40 shares, 40 options and 40 convertibles at a price to be determined near the end of this month when the prospectus is expected to be made public.

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Notice is hereby given that:

The Annual Report (including the Balance Sheet, the Statements of Income and Earned Surplus and the Reports of the Directors and Auditors) for the year ended March 31, 1977, has been published and is available for inspection by the public at the offices of the Company and at the offices of members of the Tel Aviv Stock Exchange.

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Labour adrift

IF THE RULES governing Israel politics continue to prevail, one may safely predict that the Labour Party will return to power only if, and when, the Likud either splits up or racks up sufficient mistakes to disillusion a large part of its electoral supporters.

Under these rules of the game the initiative is uniformly in the hands of the government party, as Mr. Begin learned during 29 hard years in opposition. The government does; the opposition, at most, talks. And in all likelihood, only the government will undo itself.

This week, we reported the results of a recent public opinion poll. The main finding was that if elections were to be held today, Mr. Begin's Likud would win an absolute majority. This in itself is not very surprising; it reflects a traditional pattern of newly-found support for a new premier — even for one who may have enjoyed comparatively little popularity prior to his installation. Another question, however, is the durability of a government's hold on the public.

One of the factors determining the time it takes for a ruling party to "turn off" a large enough segment of its own support, is the image of the main opposition group. The rather feeble, sometimes repelling and often disturbing image projected over many years by Herut, Gahal and Likud was a major reason for Labour's prolonged stay in power, even when it was already clear beyond any doubt that it was not functioning as a government party should.

As today's opposition, the Labour Party is not merely in deep trouble. It is fairly close to a state of dissolution. It is both rudderless and leaderless.

Having been grudgingly chosen head of Labour after Mr. Rabin's resignation over his dollar *pass*, Mr. Peres continues to be rejected by others; not a few leading members silently cherish the hope that Mr. Rabin for one will fade away into well-deserved oblivion; Mr. Allon's apparent expectation of a call to leadership once Peres and Rabin knock each other out is greeted with universal though quiet derision; while Mr. Eban's pretensions are answered with a yawn.

More important, however, is the fact that the brutal electoral defeat, and the resulting breakdown of recognized central leadership, have caused the various wings of the party to start pulling vigorously in all directions. One faction is championing the creation of a clearly ideological party of the Left, which would mean jettisoning many activists of the former Rafi and even the Mapai wing.

Another group is advocating the formation of a party of the centre, attempting to revive the historical Mapai, together with as large a part of the Democratic Movement for Change and the Independent Liberals as could be induced to join such a venture. And then there are those still dreaming of a Government of National Unity under Mr. Begin and Mr. Dayan.

As Labour's titular chief, Mr. Peres thus has his work cut out for him. His political fate will in all likelihood be determined by his success in bringing party order out of the present chaos, and in the process revitalizing Labour and restoring its sense of self-confidence.

The first step on such an admittedly difficult trek must be deciding who constitutes the party. The 250,000 alleged members were very much a fiction even at the moment of publication of the results of the party census last winter. This is even truer today, when numerous "practically minded" Labour adherents are shifting to the Likud.

In order to rebuild itself Labour will have no alternative but to count heads again, but genuine heads this time, and to go on to elect its leadership anew from the ground up. Admittedly this may prove dangerous to some incumbent leaders, but failure to do so can be fatal to the party itself. Without it, Labour will be hard put even to begin repaying the IL50m. debt which currently oppresses it.

Mr. Begin's government is slowly emerging as a highly ideological coalition when it comes to rhetoric, and a fairly pragmatic one when it comes to policy. There is some reason for Labour to believe that this tension between Mr. Begin's ideological claims and the power-drive of his hungrier and more pragmatic colleagues will eventually prove his party's and his government's undoing. But that is for the future.

Meanwhile, the years in opposition should provide an opportunity for the Labour Party to crystallize its own conception of the good — and safe — society, and to hammer out the operative programme through which it would hope to realize that conception. This task was neglected during the last dozen years of the party's tenure, when it turned its exclusive attention to the Byzantine infighting for the succession. The winners in that fight have finally succeeded — to places of honour in the political wilderness.

Finding itself in the unaccustomed position of being out of power, the Labour Party and the men who aspire to lead it will have to face up to the age-old question confronting all politics: power to what purpose?

The operations of the country's Stock Exchange must be thoroughly overhauled, says MBIR

MERHAV, if the stock market is to become a major source of investment capital for business firms.

A game of the blind, by the deaf, for the dumb

THE PEAK of the recent stock boom is over, at least for the time being. Some people have made a lot of money in a short time, at least on paper. Many more have lost — and many of these have seen their hard cash going down the drain. While everybody hopes that the present relative stability will last, there is no assurance that the pot will not boil over again, for the fires beneath it are still smoldering.

The inflation of stock values since the beginning of the year is due to a combination of factors. Domestic stagnation, now in its fourth year, may have reduced current savings, but it has at the same time channelled a higher proportion of savings into financial investments. The value of government bonds falling due for redemption is constantly rising as a result of price inflation — and the huge amounts of cash so generated are seeking new investment outlets. At the same time, the Government has reduced the linkage of its bonds, first to 90 then to 80 per cent, thus making them less attractive to investors.

The seeming enigma of the current boom — which concerns the source of the money that went into stocks — is wrapped in no mystery. In the fashion of the day, there has been much talk of "black money" — as if that money had not existed in another, and probably quite liquid, form before it went chasing stock quotations. Others have pointed a finger at the pre-election wage increases, apparently on the grounds that since wage hikes are "bad," and stock speculation is "bad," too, the former is the cause of the latter.

In fact, current savings and the money released from redemption of government bonds are quite sufficient to explain what happened. Besides, the banks have apparently given their customers credit for the purchase of new capital issues — but there is no hard proof of this. There have also been rumours, equally unproved and probably unprovable, that foreign exchange deposits have been used to finance stock speculation.

Above all, the rush of "legitimate" money into stocks has had a snowball effect, which has created opportunities for shady manipulators and has, especially most recently, dragged many small "investors" into the frenzy of making money without even trying, as if it were a new form of *Mifal Hapayis*.

THE AMOUNTS involved may be assessed from the data on sales and redemption of government bonds.

The net sales of government bonds, which in 1976 were IL3.5b. and in 1975 came to IL2.2b., fell to less than IL1.5b. in 1977. In the first half of 1977, sales amounted to IL0.8b. net, which, on an annual basis, is a further fall of 33 per cent compared with the preceding year. In 1977, the value of government bonds falling due for redemption is IL11.6b., at end-1976 prices. Price inflation during 1977 will probably bring the actual redemption value up to about IL15b. Some 20 per cent of this amount is presumably held by individuals and other non-institutional investors.

Although these amounts alone suffice to explain what has happened on the stock market, explanations will not save the many who have rushed in where others fear to tread. Most of them will find out before long — if they have not already done so — that, in terms of what these stocks will yield, they have made a bad bargain. And when investors find that prices have risen to a level where the shares yield much less than bonds, even at 80 per cent linkage, and start to sell, those who hold on to their investments for too long will find that they have also suffered a capital loss.

Neither the Treasury, nor the Securities Authority, nor the Stock Exchange can do much to ease people from their own folly. Any drastic steps would probably do as much damage in the short run as letting the fires burn themselves out gradually; in the longer run, they would probably be even more harmful. Yet there are certain steps that could and should be taken, or that should be taken more rapidly and more energetically.

ONE THING the Stock Exchange could do is to let the price/earnings ratios be published frequently and regularly, together with the market quotations. Although this would not deter those who insist on speculating in the expectation of a capital gain, it would at least serve as a warning to those who feel that they may have to hold on to their papers for a while. If the Stock Exchange is overhauled — as it is not at present — it could get this service performed by an outside body.

One of the most urgent needs is that the Government provide adequate communications facilities so that trade in stocks is not hampered by the sheer technical inability of the banks and the Stock Exchange to handle the volume of orders coming in.

It is inconceivable that the Government should not be able to provide these services at short notice, if it is indeed interested in promoting the stock market as an instrument for the mobilization of investment capital.

It is ridiculous that a city as large as Tel Aviv should have only one public tele office — and that one set up only in response to competition by a private firm. The immediate introduction of telex services in towns above a certain size, or in outlying localities, would also serve the general needs of commerce and industry in these places. More direct facilities from the major bank branches in the big cities, and public multi-purpose telex offices in the smaller cities, should be the kind of infrastructure service that the Government is obliged to supply without delay.

THE STOCK EXCHANGE is technically capable of handling a volume of IL40-50m. a day. Volumes of IL50m., 100m. or even 150m. are beyond its capacity. As a result, the speculators thronging the exchange, those who have access to large bank offices, as well as the big customers of the latter, have the advantage. The technical barriers to trade also induce wider fluctuations.

Given the necessary equipment — which could be financed entirely by the members of the Exchange who profit from the increased volume — the Stock Exchange could also change its present system of trading. In an effort to restrain sudden sharp price rises, the Exchange stops trade when demand exceeds supply, or supply exceeds demand, by 250 per cent. It then marks up, or down, the price by 5 per cent and lists the stock as "sellers only" or "buyers only," as the case may be, for two days. After that the price is allowed to float until the market is cleared.

This can have the absurd result that stocks sear away from "sellers only" to "buyers only" without any trade taking place. Instead, trade orders should be carried out — as long as the Stock Exchange imposes a ceiling on daily price changes — on a pro rata basis, so that if there are, say, purchase orders of IL5m. against sales orders of IL10m., all sellers would effect a sale of 50 per cent of their order at the quotation of the day.

Adequate communications facilities would also make it possible to publish quotations currently, at least in the bigger localities, and

thereby prevent the accumulation of orders, which may cause undue fluctuations.

IN ORDER to keep the Stock Exchange a legitimate market in which people may expect to gamble, within reason, there must be adequate supervision and control, since any gambling operation lends itself to exploitation by unscrupulous manipulators.

The powers of control and investigation which the Securities Authority now has are far too limited, and are far weaker than those accepted as the norm in the U.S. In a small market such as ours, where the proportion of shares traded is often insignificant by comparison with the total issued, such control is essential to prevent illicit manipulation and the misuse of inside information.

The role of the banks on the Stock Exchange also needs re-examination. Their dominant position cannot be reduced significantly, it seems. Although they are involved in all the activities related to the stock market — for the banks act as issuers, underwriters, brokers and investment counsellors, as well as own directly or indirectly most of the shares traded — it is probably not true that they either try to bend transactions in their own favour, or that they could do so if they wanted to. A small bank may do it; but for a large one, where most functions are highly decentralized anyway, it would be counterproductive.

Yet, if the stock market is to be developed into a major instrument for mobilizing capital, many more brokers ought to be admitted to the Stock Exchange, and the investment counselling function of the banks should be overhauled.

Many of the investment counsellors in the banks are really little more than clerks who accept orders from customers. They are not required by law to have any particular qualifications, nor can they be held responsible for the advice they render. The same is true for private brokers. They are not subject to any formal rules of conduct;

nor do they have to meet any particular professional standards. IT WOULD THEREFORE be a contribution to the long-term development of the stock market if all investment counsellors, in the banks and outside, were made subject to licensing and to supervision — in the same way as certified public accountants and lawyers.

In the banks, the investment counselling function should be separated — even physically, if possible, by locating it in a special branch office — from the ordinary functions.

Last but not least, the Government ought to go ahead rapidly with eliminating the system of cheap, unlinked development loans. As long as that exists, there is little hope that industrial firms will turn to the stock market for the capital they need. If the Government wants to subsidize capital — and it will probably have to do so for a long time if it intends to promote development — it should act by making outright investment grants.

Only when the stock market becomes the major source of investment capital can the standards of financial reporting, and the attitude of management to shareholders, be expected to reach such a level that the investor who buys a share will not do so blindly.

But even now, the Securities Authority should be able to demand more frequent and informative financial reporting. Most of the firms that have shares on the market possess that information for their internal purposes — they should be required to make it available to the public.

Until that happens, investors are likely to remain blind, not really knowing what they buy; the Stock Exchange, being technically equipped for the year 1985, will remain deaf to orders; and the whole game is likely to be one in which the dumb will easily lose. The developments of the last few months should teach all concerned that the stock market cannot carry on as a game of the blind, the deaf and the dumb.

READERS' LETTERS

ALTERNATIVE TO MILITARY PARADE

To the Editor of The Jerusalem Post

Sir, — Judy Siegel's article (August 10) suggesting alternative plans to a full-scale military parade next Independence Day elicited great interest.

An alternative to a military parade could be the holding of a nation-wide folk-dance festival like the Dallas Festivals of years past. These festivals allowed for active participation from every sector of society.

If the luxury of this type of celebration to lure tourists were in doubt, some of the major Jewish organizations from abroad could be invited to send representative dance groups.

DEBRA L. EFEL
Ann Arbor, Michigan.

SUNDAY SCHOOL TEACHER VERSUS POLITICIAN

To the Editor of The Jerusalem Post

Sir, — We here hope that Mr. Begin holds fast to his promise to hold the line. We expect the Arabs and their allies to apply pressure on you and they may get help from our President. However, I find a dichotomy here.

Mr. Carter is a Sunday School teacher who knows the Land belongs to Israel, and I am certain that he knows this lesson too well to overlook it, even though he sits at the centre of political power.

But, he is also the President of the United States and a politician, and I wonder who will win as he struggles with his inner conscience. The Sunday School teacher or the President? The world rests upon his decision and the future depends upon how well he can come up with the right answer.

We here are praying he will let the Sunday School teacher give the answer — the whole of the Land must be Israel's from this day forward.

ORVILLE J. WALLACE, Minister,
Gospel Tabernacle
Kansas City, Kansas.

SETTLING THE GALILEE

To the Editor of The Jerusalem Post

Sir, — It was heart-warming to see and hear on TV those enthusiastic Gush Emunim people who are eager to become pioneers of new settlements in Judea and Samaria.

I wonder whether they know that a lot of fertile land in the Galilee is waiting to be redeemed by just such enthusiastic pioneers. And without shaking any political boats, I understand that there, too, Jews are in the minority.

LEON BETENSKY
Safed.

MATRICULATION EXAMINATIONS

To the Editor of The Jerusalem Post

Sir, — So much has been said and written recently about the necessity of matriculation examinations that we would like to explain why they have not been abolished.

The Ministry of Education has given serious consideration to this problem in recent years, and, as a result, has introduced a basic reform in the system.

Among the reasons given for abolishing matriculation exams was the claim that they were not an objective measure of pupils' achievements. The present certificate is based on the national results of the exams and pedagogues consider this an objective criterion of pupils' achievements after 12 years of study, without which their evaluation would be subjective.

The claim that the exams increase the educational gap between students from Western countries and those from Israel is unfounded. The fact that the certificate is uniform makes all recipients equal and gives them all the same rights.

Many people forget that universities in Israel require the certificate of matriculation as a prior condition to acceptance. To abolish the ex-

ams without having another solution to the acceptance requirements of the universities would create many difficulties for high-school graduates who wish to continue their studies. In Israel, high-school graduates have to do two or three years' army service when they finish school. Cancellation of the exams would force our young people, upon release from the army, to go over all they have studied in high school in order to prepare for wide-ranging entrance exams to universities.

Those who criticize the matriculation exams ignore the reform we instituted two years ago and which now includes almost all high schools. It is based on a system of accumulating points in obligatory and optional subjects. Pupils can already pass exams at the end of the 10th grade at different levels in various subjects in accordance with their predilections and aptitudes. For certain exams, pupils are allowed to take hooks with them. Obviously, the matriculation exams are no longer rigid and conservative, nor do they require memorization by rote of facts and figures, as in the past.

ISRAEL COHEN, Spokesman,
Ministry of Education and Culture
Jerusalem.

RELIGIOUS TOLERANCE

To the Editor of The Jerusalem Post

Sir, — Professor Hammer's article of August 4 raises some very important issues.

I would take it as a fundamental premise that the State of Israel would be a democratic state, with a sensitivity for minority views and with a corresponding respect for the right of a person to harbour any ideas he wishes so long as he is peaceful in his attitude and tolerant in his views of others. I regret that the last attribute is not manifest by the strivings of the Orthodox group to impose Orthodox ideas and modes of living on the rest of the community.

I will not allow, of course, the anti-libertarian approach of the Orthodox

group to dilute my loyalty to the State of Israel. I simply hope that, just as New England outgrew the original Puritan-Calvinist outlook that dominated its early society, a similar development will occur in Israel, with the Orthodox ties to practice what they regard as reverent, but with a tolerance and respect for others who feel as strongly about their ideas as do the Orthodox about theirs. Indeed this mutual respect is the mark of a civilized society, so beautifully expressed by the great American jurist, Oliver Wendell Holmes: "To have doubted one's own first principles is the mark of a civilized man."

BERNARD H. GOLDSTEIN
Port Washington, New York.

ECONOMIC SKULDUGGERY

To the Editor of The Jerusalem Post

Sir, — The Elite Company used sound business judgement and practice when they purchased large quantities of coffee when the world coffee price was going up and up. That was hedging against further increases in price on the world market. Unfortunately, as in many well-laid plans, the outcome has been the exact opposite of what was expected: world prices of coffee are going down and the Elite people are caught with the warehouses loaded with costly coffee. That can happen to even well-managed businesses.

However, it is not common business practice for the cost of such unexpected mistakes to be palmed off on the innocent consumer by continuing to charge for the product according to high-priced stocks; the

loss should be borne by the business and the shareholders, just as they would bear the loss if they had purchased a high-priced machine that didn't conform to expectations. It is their loss.

So, the Elite management is no doubt laughing at our Ministry of Commerce and Industry's learned M.A.'s and Ph.D.'s in economics and business management, who are taking the side of the wealthy company against the consumers and sympathetically permitting it to continue to receive its usual profit instead of taking its loss.

Therefore, I call upon the consumers' protection associations to rise up and wage war on this shifting of the loss onto the consumer instead of it being borne by the company.

MALKA KESTEN
Ashdod.

THE AIM OF THE PLO

To the Editor of The Jerusalem Post

Sir, — With the entry of the PLO into the discussions on the Middle East, a new and disturbed situation has evolved. Before the Six Day War, the continuous theme of the Arabs, the Russians and their friends at the UN was the destruction of Israel.

The tone of the Arabs and their friends changed after the Six Day

War, and no more threats were voiced. But beneath this moderate tone, the threat to Israel's existence was more explicit. Thus, the PLO emerged, a new force, the Arabs and equipped by the Russians, threatening Israel while, on the surface, the Arab states remained "moderates."

The PLO is the arm and executioner of the Arabs' aim.

WILLIAM EHRENPREIS
Nctanya.

ROSH HASHANA



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